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Ombudsman finds 'unsupportable explanations' in contract process for parking meter paper: Portland City Hall Roundup

By Brad Schmidt, The Oregonian

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Portland's ombudsman last year played hardball with contracting officials over concerns about questionable scorekeeping tied to the city's infamous parking meters.

The investigation didn't focus on the multi-million-dollar meter contract that former parking manager Ellis McCoy helped push through Portland City Council.

Instead, Ombudsman Margie Sollinger reviewed a complaint about the contract for receipt paper inside the parking meters -- and found herself not only agreeing with the vendor who cried foul, but also running across "unsupportable explanations" that left her with "systemic concerns."

The dispute is only hinted at in the ombudsman's 2012 annual report, released Tuesday. It's the ombudsman's job to investigate complaints against government.

"The Ombudsman conducted an investigation and found the (Portland Bureau of Transportation) employee's scoring of the proposals to be unsupportable," the report reads. "After several communications, Procurement opted to re-do the evaluation of the proposals with a different evaluation committee."

But according to emails obtained by The Oregonian through the state's public records law, Sollinger had to push hard on Portland's contracting agency before they listened.

The dispute began in 2011. Linn Haglund, president of Cascade Form Systems, had developed the non-sticky paper receipts in Portland parking meters as part of a pilot program. But he didn't get the full contract.

City officials planned to award the contract to a different company but started over after the FBI raided McCoy's office, as part of its investigation into bribes and kickbacks tied to Cale parking meters. McCoy pleaded guilty last year.

In 2012, after a new competitive process, Haglund found himself left off a short-list of companies in the hunt for the contract.

He reviewed evaluation forms and found that one city employee, Doug Siemens, gave his company considerably lower marks than did other evaluators. He appealed, and also contacted Sollinger.

But Christine Moody, the city's chief procurement officer, denied Haglund's appeal on May 22.

"Based on Mr. Siemens' clarifications," Moody wrote, "I note that he was very detailed in his review and find his scoring entirely appropriate for this level of effort. It's not possible to fully understand what each evaluator understood, how they determined the numerical score for each criterion, or the judgment used by them in scoring the proposals conversely it's not possible to assume one score to be more correct than another."

Sollinger was prepared to reach the opposite conclusion.

With procurement officials looking to quickly award a contract, Sollinger emailed Moody and asked for a delay.

Sollinger wrote that she expected "some of Mr. Haglund's allegations will be substantiated" but worried that her recommendations would be moot if the city moved forward.

"Although I could still make recommendations for future practices, I'm concerned that my only option for RFP #113557 would be to publicly criticize the process that was used to award that contract," Sollinger wrote June 11. "To avoid that from happening, I am wondering if you might be willing to delay awarding the contract until I complete my review?"

For context, a Portland ombudsman hasn't released an investigative report since 2007, instead typically using the power of the office to quietly push for appropriate changes.

In a follow-up email the next day, Sollinger wrote that her "preliminary concerns" included:

"1. Mr. Siemens' stated justifications for his technical requirements scoring are largely unsupportable.

2. Procurement's denial of Mr. Haglund's protest relied on Mr. Siemens' unsupportable explanations.

3. I have concerns about Procurement's change to the cost scoring method and whether that change is permissible under Oregon law.

4. I also have some systemic concerns, which include the lack of an articulated basis in the RFP for how the short-list will be determined and also a concern about compliance with public records law and retention schedules. Regarding the latter, Mr. Siemens indicated that he gave his original notes to Procurement after completing his evaluation of the proposals in response to RFP # 113557 and that Procurement destroyed those notes, which then meant that he had to reconstruct his notes several months later in response to Mr. Haglund's protest."

After Sollinger and Moody met, Moody agreed to form a re-evaluation committee.

But in a June 15 email she noted that "putting the process on hold would be a detriment to the contract that PBOT desperately needs in place as the meter paper will run out in August and we are pushing the envelope to get a contract in place by that time."

Nine months later, the city still hasn't contracted with a paper supplier, although it's received an interim supply from a different company that Moody said is far cheaper. Moody said she doesn't believe the process was flawed but noted that any procurement effort could be improved. Officials are expected to release an invitation to bid at some point.

In the meantime, Haglund again appealed a city contracting decision and officials rescinded their intent to award in December. The city hasn't adopted a formal policy requiring written comments in evaluations, either.

Haglund said his appeal would have had "no chance whatsoever" without the ombudsman's "clout."

"You can tell that she cares about what's going on at the city and she cares about other human beings," Haglund said of Sollinger.

In her annual report, Sollinger wrote that she plans to "to press for more thorough records of decision making, which, in turn, provide the basis for meaningful review in response to bid protests."

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